



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

MEMORANDUM

TO: 2016-2018 Three-Year Energy Efficiency Plans -- Program Administrators and Stakeholders

FROM: Jeffrey M. Leupold, Hearing Officer

RE: 2016-2018 Three-Year Energy Efficiency Plans -- Additional Filing Requirements, Revised

DATE: October 2, 2015

CC: Mark D. Marini, Secretary

I. INTRODUCTION

General Laws c. 25, § 21(d)(1) requires the Massachusetts energy efficiency program administrators ("Program Administrators") to file with the Department of Public Utilities ("Department") their respective three-year energy efficiency plans ("plans") for the 2016-2018 energy efficiency term on or before October 31, 2015. Because October 31, 2015 is a Saturday, the Program Administrators' respective plans must be filed by the **close of business (5:00 p.m.) on October 30, 2015**. G.L. c. 25, § 21(d)(1).

Within 90 days after the filing of the plans, the Department must issue a decision on the plans. G.L. c. 25, § 21(d)(2). To accommodate the 90-day review period, the Department convened a stakeholder process that, among other matters, established a plan filing template, model procedural schedule, and procedures for the review of the plans. Investigation by the Department of Public Utilities on its own Motion into Updating its Energy Efficiency Guidelines Consistent with An Act Relative to Green Communities, D.P.U. 08-50-B (2009).

The Department has used the plan filing template and the model procedural schedule in the 2010-2012 and 2013-2015 plan filings. Based on its experience in reviewing the 2010-2012 and 2013-2015 plan filings, the Department has identified additional information that the Program Administrators must include in their respective 2016-2018 plan filings. The additional filing requirements are addressed below.

II. ADDITIONAL FILING REQUIREMENTS

In addition to all materials included in the plan filing template, the Program Administrators shall provide the following information with their 2016-2018 plan filings:

1. Provide pre-filed testimony describing the development and determination of the proposed statewide and Program Administrator-specific savings goals. Explain how technical potential studies and other sources were used in this regard, and provide copies of all statewide and Program Administrator-specific technical potential studies and other sources that were used.
2. Incorporate the following information into the D.P.U. 08-50 tables, by core initiative, providing actual and estimated values for plan years 2013-2015,¹ and planned values for plan years 2016-2018:²
 - a. Savings Tables 1 through 4: savings per total resource cost (“TRC”) (i.e., electric savings (megawatt-hour (“MWh”)/\$ spent), gas savings (therms/\$ spent), and oil savings (million British Thermal Units (“MMBtu”)/\$ spent));
 - b. Savings Tables 1 through 4: savings per participant per TRC (i.e., electric annual savings MWh/participant/\$ spent; gas annual savings therms/participant/\$ spent; oil annual savings mmBTU/participant/\$ spent);
 - c. Benefits Tables 1 through 4: resource benefits per program cost;
 - d. Benefits Tables 1 through 4: resource benefits per TRC;
 - e. Benefits Tables 1 through 4: resource benefits per participant per TRC (i.e., total resource benefits/participant/\$ spent);
 - f. Savings Tables 1 through 4: average percent savings (i.e., annual reduction vs. previous year billed usage) applicable to direct incentive (or

¹ Where in these additional filing requirements data are sought for program years 2013-2014, file actual values; for program year 2015, file the most up-to-date actual values available.

² The Department recognizes the complexities involved in evaluating program participation. In providing the requested information, the Program Administrators should explain how participation is estimated and define what constitutes a “participant.”

downstream) core initiatives where Program Administrators have information on participant energy usage; and

- g. Savings Tables 1 through 4: same-year load-weighted participation by program by meter (percent of eligible customer load participating in at least one direct incentive program).
3. Provide the following information for program years 2013 through 2015. Include pre-filed testimony describing how the Program Administrators used this (and other) information to address participation barriers and achieve deeper participant savings:
- a. market sector participation rates in the commercial and industrial (“C&I”) energy efficiency programs (e.g., municipal, healthcare, real estate, education, non-profits, hospitality, and small and mid-sized C&I);
 - b. total number and percentage of new and repeat participants (i.e., participants that participated in at least one direct incentive program over the previous three-year period) by core initiative;
 - c. percentage of savings associated with new participants and repeat participants by core initiative;
 - d. total number and percentage of customers participating in multiple core initiatives over the past three years by customer class and/or sector;
 - e. percentage of participants receiving HEAT loans versus total participants installing HEAT-loan eligible measures;
 - f. Home Energy Services (“HES”) close rate (i.e., percentage of residences that received a retrofit following a home energy assessment, regardless of the number of efficiency measures installed) and savings and associated budget from measures installed under the C&I direct install core initiative compared to the total measures recommended but not installed; and
 - g. (electric only) percentage of HES oil heating participants receiving either weatherization or heating system upgrades.
4. Provide pre-filed testimony describing how the Program Administrators intend to engage outside organizations (e.g., trade allies and community organizations) to enhance program delivery during the 2016-2018 term. Provide examples of outside organizations that may be so engaged.

5. Provide pre-filed testimony describing how the Program Administrators intend to overcome barriers to serve hard-to-reach/underserved communities during the 2016-2018 term.
6. Identify and describe new technologies and initiatives that the Program Administrators have included in their respective 2016-2018 plans. Explain how the Program Administrators evaluate new technologies and initiatives to determine cost-effectiveness and savings potential.
7. Provide a table that summarizes evaluation, measurement, and evaluation (“EM&V”) study recommendations and indicates whether the Program Administrator has implemented the recommendation, to date, for each study completed during the 2013-2015 term. If a recommendation has not been implemented, explain why not.
8. Provide pre-filed testimony describing the process for identifying and studying new non-energy impacts.
9. Provide pre-filed testimony describing all new non-energy impacts that the Program Administrators anticipate studying during the 2016-2018 term.
10. Provide a table defining the following budget categories, including descriptions and examples of each component of the budget category (e.g., define market transformation plans and provide an example of costs associated with these plans):
 - a. program planning and administration (“PP&A”);
 - b. marketing and advertising;
 - c. participant incentives;
 - d. sales, technical assistance, and training; and
 - e. evaluation and market research.
11. Provide an update to the Consistent Cost Categories Report filed on July 31, 2014. Identify whether: (1) the common definitions of the costs assigned to each of the five categories have been finalized; and (2) all Program Administrators categorize costs in the same way. If costs are not categorized in the same way, explain any remaining discrepancies in the definitions and the reasons for the discrepancies.

12. Refer to the Consistent Cost Categories Report. For program years 2013 through 2018,³ provide a breakdown (in dollars) of planned and actual PP&A costs using the following administrative cost sub-categories:
 - a. development of program plans, including market transformation plans and research and development (“R&D”) plans (excluding R&D assigned to evaluation and market research);
 - b. day-to-day program administration, including labor, benefits, expenses, materials, supplies, and overhead costs;
 - c. regulatory costs associated with energy efficiency;
 - d. costs for energy efficiency services contracted to non-affiliated companies such as outside consultants used to prepare plans, screen programs, improve databases, and perform legal services; and
 - e. internal salaries for administrative employees/tasks, including program managers that do not have direct sales and technical assistance contact with customers.
13. Identify all competitively procured contracts that the Program Administrators have already executed for services to be provided during the 2016-2018 term. For each contract, state the contract term, whether there is an option to extend, and the conditions for renewal. For each Program Administrator, provide the percentage and total dollar amount of competitively procured services that have already been procured for the 2016-2018 term.
14. Refer to the Consistent Cost Categories Report at 4. For each cost category, identify and provide a full description of the functions that are provided as non-competitively procured activities and functions.
15. Refer to the Consistent Cost Categories Report at 4. For each cost category, identify and provide a full description of the functions that are provided as competitively procured activities and functions.
16. Refer to the Historical Budget Table (Table IV.C 2.2). Add planned values for program years from the previous plan (i.e., 2013-2015).

³ Provide planned and actual values for plan years 2013-2015, and planned values for plan years 2016-2018.

17. Provide all narrative and supporting D.P.U. 08-50 tables at the core initiative level and the program level.
18. Provide pre-filed testimony describing the process by which the Program Administrator develops bids for the forward capacity market (“FCM”) administered by ISO New England, Inc. (“ISO-NE”), including a discussion of the different timelines of the FCM process relative to the planning process for the plans.
19. Provide pre-filed testimony describing the communication that occurs between the Program Administrator and ISO-NE during the FCM process. Include a description of any limits ISO-NE may place on Program Administrator bids (i.e., capacity limits, measure life, etc.).
20. Provide pre-filed testimony describing the Program Administrator’s participation in FCM reconfiguration auctions to date (both annual and monthly), including a discussion of any advantages/disadvantages to participating in these auctions.